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Diana T Fritz 03/15/2007 02:27:46 PM From DB/Inbox: Search Results

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CONFIDENTIAL

SIPDIS  
TELEGRAM

April 28, 2004

To: No Action Addressee  
Action: Unknown  
From: AMEMBASSY ABU DHABI (ABU DHABI 1371 - UNKNOWN)  
TAGS: PTER, EFIN, ETTC, PREL, PGOV  
Captions: None  
Subject: UAEG ANNOUNCES NEW LAW TO COMBAT TERRORIST FINANCING  
Ref: None

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C O N F I D E N T I A L ABU DHABI 01371

SIPDIS  
CXABU:  
ACTION: POL  
INFO: DCM FCS RSO AMB P/M ECON

DISSEMINATION: POL  
CHARGE: PROG

APPROVED: DCM: RALBRIGHT  
DRAFTED: ECON: CCRUMPLER  
CLEARED: NONE

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DE RUEHAD #1371/01 1191334  
ZNY CCCCC ZZH  
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FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4168  
INFO RUEAWJA/DEPT OF JUSTICE WASHDC  
RUEHZM/GCC COLLECTIVE  
RUEATRS/TREASURY DEPT WASHDC  
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 ABU DHABI 001371

SIPDIS

STATE FOR NEA/ARP - HEFFERNAN, NEA/RA -SUTPHIN,  
EB/ESC/ESP, INL/C - CASSARA, INL/ENT - NOVIS, AND  
S/CT - REALUYO  
TREASURY FOR ENFORCEMENT DAS JUAN ZARATE AND IEA  
DIRECTOR BOYLAN, ALSO FOR LONERGAN  
TREASURY PASS OCC FOR BLACKER  
TREASURY PASS OFAC FOR NEWCOMB  
JUSTICE FOR ASSET FORFEITURE AND ML UNIT -- DEPUTY  
CHIEF DAVITT, ALSO TED GREENBERG  
JUSTICE PASS OPDAT FOR SILVERWOOD  
NSC FOR GARY PETERS

E.O. 12958: DECL: 04/27/09  
TAGS: [PTER](#) [EFIN](#) [ETTC](#) [PREL](#) [PGOV](#) [TC](#)  
SUBJECT: UAEG ANNOUNCES NEW LAW TO COMBAT TERRORIST  
FINANCING

REF: ABU DHABI 1026

1. (U) Classified by Deputy Chief of Mission Richard A.  
Albright for reasons 1.5 (B) and (C).

¶2. (C) UAE Central Bank Governor Sultan Nasser Al-Suweidi announced that the UAEG was nearing completion of a new terrorist finance law at the close of the Second International Hawala Conference on April 5 (ref). While conference participants generally welcomed the new legislation focused on terrorist financing, the Governor's statement and subsequent news articles about the law were short on specifics. Executive Director of the Central Bank's Anti-Money Laundering and Suspicious Case Unit (AMLSCU) Abdul Rahim Al-Awadi briefed Econoff April 27 on the new law, and said that it gave the Central Bank more authority to freeze assets and undertake investigations related to terrorist finance.

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Scope Of The New Law  
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¶3. (U) The new law is based on the various UN declarations to combat terrorism, the UN Convention for the Suppression of the Financing of Terrorism (1999), and takes into consideration the Arab Convention on the Suppression of Terrorism, signed at the Arab League Secretariat in Cairo in 1998.

¶4. (C) Al-Awadi listed the many problems that the Central Bank has encountered freezing terrorist assets and investigating suspected terrorist financiers under the current money laundering law. Law No. 4 of 2002 requires a predicate offense -- an underlying illicit activity -- to trigger a Central Bank/law enforcement response, but the new law will provide the Central Bank extraordinary powers to freeze assets of any suspect individual immediately, whether or not the funds can be linked to a crime. Under Law No. 4, the Central Bank may freeze assets of suspect individuals for seven days only, and must present evidence to the Public Prosecutor to continue freezing the accounts or release the funds. He noted that such a restriction was impractical in terrorist finance cases; "terrorism is like a cancer to our society and is a threat to our national security -- we must be free of all legal restrictions to deal with terrorist cases as required."

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Status Of The Law  
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¶5. (C) Al-Awadi said that the Central Bank recognized the need for a law focusing on terrorist financing and separate from Law No. 4 of 2002 on money laundering. An inter-agency committee has met regularly during the last six months to create the new law, and the committee -- of which Al-Awadi is a member -- already has received the Minister of Justice's approval to submit the draft legislation to the Federal Cabinet for final review. The new law also must be approved by all the rulers of the seven emirates, but Al-Awadi did not think the process would take more than a couple of months; "we are all of like mind on these issues."

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Comment  
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¶6. (C) While Post has not seen a draft of the proposed law, we are encouraged by Al-Awadi's assurances that the new legislation will provide the Central Bank more authority to freeze indefinitely the assets of terrorist financiers in the UAE. The new law also should provide clear guidelines for investigating and prosecuting financial crimes related to terrorism. Despite the UAE's progress in recent years combating money laundering and terrorist financing, the Central Bank's AMLSCU is not yet fully lashed up with UAE law enforcement and prosecutorial authorities, and the process of initiating and advancing financial investigations here has been cumbersome. It is noteworthy that the new law also will provide procedures

for the seizure and forfeiture of non-bank assets of suspected terrorist financiers, including securities, cars, buildings, etc.

17. (C) At our request, the UAE Central Bank has frozen indefinitely a number of bank accounts since 9/11 related to suspected terrorists -- and in spite of the requirements of Law No. 4 to produce evidence to the Public Prosecutor or release the funds. The Central Bank occasionally has come under fire from the Ministry of Justice to respect Law No. 4 and release funds, and this has -- in some instances -- been a source of tension in our bilateral efforts to combat terrorist financing. We hope the new law will provide the political cover the Central Bank needs to legitimate its current practices and fend off pressure to release funds before a proper investigation can be initiated.

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